AP RENTALS HOLDINGS LIMITED
亞 積 邦 租 賃 控 股 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1496)

PROFIT WARNING

This announcement is made by AP Rentals Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company ("**Shareholders**") and potential investors that based on the preliminary review of the unaudited consolidated management accounts (the "**August Management Accounts**") of the Group for the five months ended 31 August 2019 ("**5M2019**"), the Group has recorded a net loss of approximately HK$4.7 million as compared to the marginal net loss of approximately HK$1.0 million for the corresponding period in 2018 ("**5M2018**").

The Board considers that such change is mainly attributable to:

1. the decrease in revenue of around 4.6% as compared to that of 5M2018, which is mainly a result of:

   (i) the decrease in leasing of machinery in Hong Kong and Macau by around 10.6%, which is mainly due to:

   - the poor economic sentiment due to the trade war between US and China;
   - completion of large casino projects in Macau;
   - the demand for the key project, the Third Runway of the Hong Kong International Airport, being far below the expected due to the unexpected delay of its progress; and
   - the above reasons thus leading to price competition and reduction in demand for leasing of machinery;

* *For identification purposes only*

(ii) the decrease in operating service income of around 50.3%, which is due to the shrinking in demand for operators upon the completion of various key projects in Hong Kong, including the Express Rail Hong Kong section and the Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities, and the shift of the Group's focus due to its inherent risk in employing and managing the operators; and

(iii) the effects of the decrease in leasing of machinery in Hong Kong and Macau and the decrease in operating service income mentioned in paragraphs (i) and (ii) above, respectively, being partially offset by the effect of the increase in sales of machinery and spare parts by around 217.0% as the Group sold more machines overseas.

2. a decline of around 31.7% in the overall gross profit margin as compared to that of 5M2018, which is mainly a result of:

(i) price competition due to those reasons mentioned in paragraph 1(i) above; and

(ii) increase in depreciation expenses due to continuous investment on advanced machines.

With reference to the August Management Accounts and based on the information currently available, the Group is expected to record a net loss of approximately HK$6.0 million for the six months ended 30 September 2019 as compared with the net profit of approximately HK$195.0 thousand for the corresponding period in 2018.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the August Management Accounts and the information currently available to the Company. Such information has not been audited or reviewed by the Company's auditor. Further details of the Group's performance will be disclosed in the interim results announcement of the Company for the six months ended 30 September 2019 in accordance with the Listing Rules, which is expected to be published before the end of November 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
AP Rentals Holdings Limited
Lau Pong Sing
Chairman and Executive Director

Hong Kong, 28 October 2019

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Lau Pong Sing and Ms. Chan Kit Mui, Lina, one non-executive director, namely Mr. Nakazawa Tomokatsu and three independent non-executive directors, namely Mr. Ho Chung Tai, Raymond, Mr. Siu Chak Yu and Mr. Li Ping Chi.